kidneys applied to reasonable costs. Certain long-standing arrangements that existed before March 3, 1988 (for example, an OPO that procures kidneys at a military transplant hospital for transplant at that hospital), will be deemed to be Medicare kidneys for cost reporting statistical purposes. The OPO must submit a request to the fiscal intermediary for review and approval of these arrangements.

[62 FR 43668, Aug. 15, 1997, as amended at 71 FR 31046, May 31, 2006]

§413.203 Transplant center costs for organs sent to foreign countries or transplanted in patients other than Medicare beneficiaries.

(a) A transplant center's total costs for all organs is reduced by the costs associated with procuring organs sent to foreign transplant centers or transplanted in patients other than Medicare beneficiaries. Organs are defined in §486.302 (only covered organs will be paid for on a reasonable cost basis).

(b) Transplant center hospitals must separate costs for procuring organs that are sent to foreign transplant centers and organs transplanted in patients other than Medicare beneficiaries from Medicare allowable costs prior to final cost settlement by the Medicare fiscal intermediaries.

(c) Medicare costs are based on the ratio of the number of usable organs transplanted into Medicare beneficiaries to the total number of usable organs applied to reasonable costs.

§413.210 Conditions for payment under the end-stage renal disease (ESRD) prospective payment system.

Except as noted in §413.174(f), items and services furnished on or after January 1, 2011, under section 1881(b)(14)(A) of the Act and as identified in §413.217 of this part, are paid under the ESRD prospective payment system described in §413.215 through §413.235 of this part.

(a) *Qualifications for payment.* To qualify for payment, ESRD facilities must meet the conditions for coverage in part 494 of this chapter.

(b) *Payment for items and services.* CMS will not pay any entity or supplier other than the ESRD facility for covered items and services furnished to a Medicare beneficiary. The ESRD facility must furnish all covered items and services defined in §413.217 of this part either directly or under arrangements.

[75 FR 49199, Aug. 12, 2010]

§413.215 Basis of payment.

(a) Except as otherwise provided under §413.235 or §413.174(f) of this part, effective January 1, 2011, ESRD facilities receive a predetermined per treatment payment amount described in §413.230 of this part, for renal dialysis services, specified under section 1881(b)(14) of the Act and as defined in §413.217 of this part, furnished to Medicare Part B fee-for-service beneficiaries.

(b) In addition to the per-treatment payment amount, as described in §413.215(a) of this part, the ESRD facility may receive payment for bad debts of Medicare beneficiaries as specified in §413.178 of this part.

[75 FR 49200, Aug. 12, 2010]

§413.217 Items and services included in the ESRD prospective payment system.

The following items and services are included in the ESRD prospective payment system effective January 1, 2011:

(a) Renal dialysis services as defined in §413.171; and

(b) Home dialysis services, support, and equipment as identified in §410.52 of this chapter.

[75 FR 49200, Aug. 12, 2010]

§413.220 Methodology for calculating the per-treatment base rate under the ESRD prospective payment system effective January 1, 2011.

(a) *Data sources.* The methodology for determining the per treatment base rate under the ESRD prospective payment system utilized:

(1) Medicare data available to estimate the average cost and payments for renal dialysis services.

(2) ESRD facility cost report data capturing the average cost per treatment.

(3) The lowest per patient utilization calendar year as identified from Medicare claims is calendar year 2007.